Honorable Member of Congress
U.S. House of Representatives
Washington, DC 20515

July 21, 2026

Re: Oppose bank deregulation package H.R. 6955, the Main Street Capital Access Act or the Main Street Act.

Dear Representative:

The 28 undersigned labor, civil rights, democracy, consumer, housing, economic justice, and public interest advocacy organizations are writing to oppose H.R. 6955, the Main Street Capital Access Act or the Main Street Act. This dangerous bank deregulation package would undermine core safeguards and supervision, push risk into the shadows, and make the next publicly financed bailout more likely. Further deregulation is especially alarming at a time when financial regulatory agencies are under political attack, pursuing industry-friendly agendas, and starved of resources, and when there is effectively no oversight of financial markets.

H.R. 6955 treats bank rules as burdens to be minimized rather than what they are: essential safeguards that reduce the likelihood and severity of systemic risk, bank failures, and publicly financed bailouts, while protecting consumers from predatory practices, redlining, and other forms of racial discrimination in lending.

Sections 201–204 would raise statutory thresholds, extend “tailoring” well beyond genuinely small and simple banks, and hard-wire automatic future threshold increases. As a result, fewer institutions, activities, and risks would remain within baseline guardrails even as the financial system grows more complex and interconnected. The combined effect would be higher leverage and risk-taking, thinner cushions against losses, and weaker prudential standards. It would return the financial system to a pre-2008 pattern in which risk migrates out of view, problems build for years at midsize and large institutions, and the public is left holding the bag when those institutions fail.

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The supervision and governance provisions in Sections 301–304 and 401–403 would tie regulators’ hands by narrowing what examiners may consider, slowing supervisory action, and giving banks more opportunities to appeal, contest, and delay findings. At the same time, the bill would weaken transparency and accountability, making it harder to detect problems early and intervene before they turn into crises.

The competition and merchant banking provisions in Sections 601, 604, and 801 would add new stress points by accelerating bank-fintech/crypto arrangements, and making it easier to rubber stamp mergers and concentration—while expanding merchant banking ties that blur the line between banking and commerce and increase conflicts of interest and complexity.

This radical legislation would compound an already aggressive deregulatory spree at the Federal Reserve and other banking agencies. Taken together, these changes would be more damaging than the sum of their parts, leaving the financial system dramatically weaker and more vulnerable to instability and crisis. The provisions discussed below show how H.R. 6955 would magnify ongoing agency deregulation and dismantle safeguards needed to identify and contain risks before they harm families, the financial system, and the broader economy.

Section by section concerns:

Sec. 201. Taking Account of Institutions with Low Operation Risk.
This section would significantly weaken financial regulation by mandating that agencies prioritize reducing compliance costs for financial institutions over protecting consumers and ensuring financial stability. The section would create fertile ground for even large banks to challenge regulations in court by claiming undue burden, potentially overturning existing Dodd-Frank rules and hindering future regulatory actions. Regulators already tailor rules based on institution size and risk, which makes this legislation unnecessary and potentially harmful by creating additional legal and procedural barriers to effective oversight.

Sec. 202. Small Bank Holding Company Relief.
This section would double the consolidated asset threshold under the Small Bank Holding Company and Savings and Loan Holding Company Policy Statement from $3 billion to $6 billion, posing risks to subsidiary small banks and the financial system. This change would allow a broader range of bank holding companies to operate with higher levels of debt and be exempt from certain capital and leverage requirements, particularly in order to facilitate mergers. The Federal Reserve has long recognized that bank holding companies should "serve as a source of strength for their subsidiary banks." Allowing parent holding companies to operate with higher levels of debt would undermine that principle and, instead of "a source of strength," holding companies may even drain the resources of the subsidiary banks in order to service excessive debt. By allowing larger institutions to operate under looser standards, this section could dangerously incentivize increased leverage, reduce bank safety and soundness, and accelerate bank consolidation. Additionally, this threshold has already been eroded over the past decade, raising it from $500 million to $1 billion in 2014, and again to $3 billion in 2018.

Sec. 203. Tailoring and Indexing Enhanced Regulations.
This section would establish automatic increases to asset thresholds for enhanced prudential oversight every five years, allowing problems to fester unaddressed in increasingly large institutions

that could have significant systemic implications. The failures of Silicon Valley Bank and First Republic demonstrate the danger of mechanically raising asset thresholds—the last round of tailoring reduced scrutiny of institutions whose failures ultimately required extraordinary government intervention.

Sec. 204. Community Bank Regulatory Tailoring.
Under the pretext of relief for community banks, this section would rewrite a wide swath of federal banking, consumer financial protection, and fair lending laws by mandating automatic increases of a broad range of statutory thresholds every five years based on inflation or nominal economic growth. The practical effect would be to steadily and broadly expand the number and size of banks that are excluded from regulatory oversight. The threshold increases would inappropriately reduce compliance under statutes that were designed for genuinely smaller and simpler banking institutions with limited systemic footprint, and would happen without any determination as to whether the affected exemptions remain appropriate, whether the institutions have become more complex or interconnected, or whether raising the thresholds would create new supervisory gaps. Over time, this section would reduce the number of institutions and activities subject to baseline guardrails, weaken transparency, increase conflicts of interest, and blunt early warning and accountability tools embedded in the Federal Deposit Insurance Corporation (FDIC) framework. At a time of overlapping risks, this kind of across-the-board threshold inflation is likely to lead to supervisory and regulatory gaps and obscure risk from view until it is too late—all simply because the economy has grown or prices increased. The result would be a banking system that is more opaque and less resilient when conditions worsen—increasing financial fragility and the probability that losses will need to be socialized through emergency interventions or outright bailouts.

Importantly, the automatic increases of supervisory thresholds would include—and thus periodically erode—**Home Mortgage Disclosure Act (HMDA) coverage and Community Reinvestment Act (CRA) applicability**, undermining fair lending accountability and weakening critical tools that help detect and deter redlining and other forms of racial discrimination in mortgage and small business lending.

Sec. 301. Halting Uncertain Methods and Practices in Supervision.
This section would undermine effective bank supervision by restricting the CAMELS rating system to “objective” criteria only, sidelining important qualitative factors like management quality and reputational risk. These factors are essential in identifying and deterring harmful practices, such as predatory lending, money laundering, and risky environmental exposures. While not easily quantifiable, sound management and public confidence have repeatedly proven vital to bank stability, as evidenced by failures like Riggs Bank, SVB, and Credit Suisse. The proposed changes would not eliminate risk but would instead conceal real risks from regulators, making supervision more mechanical and increasing the likelihood of future financial crises.

Sec. 302. Fair Audits and Inspections for Regulators’ Exams.
This section would significantly weaken bank supervision by allowing banks to appeal any supervisory determination to a new external “Office of Independent Examination Review,” which

would conduct a de novo review without deference to the original findings. This additional appeals process, layered atop existing mechanisms, would enable banks, especially large banks, to challenge numerous supervisory findings, thereby impeding effective oversight. Such changes would undermine the post-2008 financial crisis regulatory framework, increasing systemic risks and exposing the public to potential abuses. Robust supervision is necessary to maintain financial stability and protect consumers, and this section undermines it.

Additionally, this section now includes *new* language that would also allow banks, credit unions, executives, and other institution-affiliated parties to move certain enforcement and civil penalty proceedings from the appropriate regulator to federal district court. This would give regulated firms another avenue to delay and complicate enforcement, increasing litigation costs and weakening regulators' ability to address misconduct and unsafe practices promptly.

Sec. 304. Financial Integrity and Regulation Management.
This section would open the door and pressure regulators to remove reputational risk considerations when assessing a bank's safety and soundness. Reputational damage has historically contributed to instability in major banks. Eliminating consideration of reputational risk would hinder regulators' ability to identify and mitigate risks, potentially increasing the incidence of money laundering, financial fraud and exploitation, national security threats, and bank failures. Please also see this letter signed by 25 public interest organizations opposing the FIRM Act (H.R. 2702).

Sec. 401. FDIC Board Accountability.
This section would alter the criteria for serving on the FDIC, reduce the consideration of consumer protection and enforcement of consumer protection and consideration of regulatory compliance.

Sec. 402. Stop Agency Fiat Enforcement of Guidance.
This section would require financial regulators to emphasize that supervisory guidance is not legally binding and that failure to follow guidance does not itself establish a violation of law. Guidance is an important tool for communicating supervisory expectations, identifying emerging risks, and encouraging institutions to correct unsafe practices before they become violations or crises. The mandated disclaimer could encourage regulated firms to disregard prudent supervisory expectations unless every standard is first imposed through a lengthy formal rulemaking or enforcement action, weakening regulators' ability to respond quickly to developing risks.

Sec. 403. Regulatory Efficiency, Verification, Itemization, and Enhanced Workflow.
This section would require financial regulators to conduct more frequent reviews of existing rules and place greater emphasis on cumulative compliance costs and regulatory burdens. This would still institutionalize a recurring deregulatory process that treats longstanding safeguards as burdens to be minimized. These reviews could divert limited agency resources from supervision and enforcement while creating repeated opportunities for industry to weaken or eliminate protections that remain necessary.

Sec. 601. Bank Competition Modernization.
This section would weaken scrutiny of bank mergers involving institutions with less than $10 billion

in assets by directing regulators not to consider whether qualifying transactions would substantially reduce competition or restrain trade. This would permit greater consolidation in many local and rural markets without a meaningful assessment of the effects on prices, service quality, branch access, or the availability of small-business and agricultural credit. These anticompetitive problems will be more acute for those with limited transportation and for services that are more commonly received at community banks, like small business loans and farm loans.

Sec. 604. Bank Failure Prevention.
This section would weaken oversight of bank mergers by imposing a strict 120-day deadline—running from initial submission, regardless of whether the record was complete—for regulators to approve or deny applications, regardless of whether the application is complete or all necessary information has been provided. This would limit regulators' ability to consider input from affected stakeholders and properly evaluate the risks of consolidation. Bank merger scrutiny needs to become more robust, and this section would move in the opposite direction—further enabling a pattern of rubber-stamping mergers, increasing costs for depositors, customers, and small businesses as well as heightening systemic risk.

Sec. 801. Merchant Banking Modernization.
This section would extend the alliance between the megabanks and merchant banking that can create anticompetitive problems and complex combinations of banking and commerce, as happened when JPMorgan was charged with manipulating aluminum prices through its merchant bank affiliates' ownership of an aluminum warehouse. These merchant banking partnerships are more likely to run afoul of the mixing of banking and commerce and primarily benefit the biggest banks. There is no need to extend this by 50 percent. Moreover, it is deceptive to suggest that banks need merchant banks to make affordable housing and small business investments, because most banks can and do extend commercial credit for these purposes already.

For the reasons above, we urge you to oppose this dangerous deregulatory package and protect borrowers, small investors, retirees, and the integrity and stability of our financial system.

Sincerely,

African Community Housing & Development (ACHD)
AFL-CIO
Americans for Financial Reform
ASIAN, Inc.
Communications Workers of America (CWA)
Community Housing Development Corporation
Consumer Federation of America
Consumer Reports
Delaware Community Reinvestment Action Council Inc.
Fair Finance Watch
Freedom Equity Inc.

Georgia Advancing Communities Together, Inc.
Indivisible
National Association of Consumer Advocates
National Community Reinvestment Coalition (NCRC)
National Consumer Law Center (on behalf of its low-income clients)
New Yorkers for Responsible Lending
Oregon Consumer Justice
Oregon Consumer League
Proud Ground
Public Citizen
Rise Economy
South Dallas Fair Park Innercity Community Development Corporation
Strong Economy For All Coalition
TCH Development,Inc
Transparency Task Force
Utah Housing Coalition
Virginia Citizens Consumer Council